

# **CORRECTED FISCAL NOTE**

## **HB 2528 - SB 2600**

March 26, 2008

**SUMMARY OF BILL:** Requires all foster care dwellings, nursing homes, assisted-care living facilities, homes for the aged, and one and two family rental units to contain photo-electric smoke detectors.

### **ESTIMATED FISCAL IMPACT:**

On March 10, 2008, we issued a corrected fiscal note indicating *a one-time increase in state expenditures of \$6,000, a recurring increase in state expenditures of \$189,100 and an increase in federal expenditures of \$85,000*. Based on additional information provided by the Department of Health, the fiscal impact of this bill is as follows:

#### **(CORRECTED)**

**Increase State Expenditures – \$189,100**

**Other Fiscal Impact – Increase Federal Expenditures - \$85,000**

#### Assumptions:

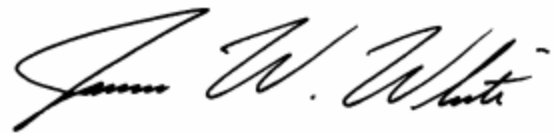
- The Department of Children's Services (DCS) will be responsible for exchanging the smoke detectors in both the contract provider resource homes and DCS resource homes.
- Currently, there are 2,144 contract provider homes and 2,425 DCS resource homes. Each home ( $2,144 + 2,425 = 4,569$  total) will receive two photoelectric smoke detectors at a cost of approximately \$30 each resulting in an increase in expenditures of \$274,140 ( $4,569 \times 2 \times \$30$ ).
- Of this amount, \$189,157 will be state funds at a 69% match rate and \$84,983 will be federal funds at a 31% match rate.
- The Department of Health will not incur a significant increase in expenditures to revise investigative procedures.
- There will not be a significant increase in expenditures to exchange the smoke detectors in nursing homes, assisted-care living facilities, or homes for the aged.

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- Any cost associated with the nursing homes exchanging their smoke detectors can be accommodated within the existing resources of the Bureau of TennCare without an increased appropriation.
- The Department of Commerce and Insurance will not incur a significant increase in expenditures to revise investigative procedures to rental units.
- According to the Department of Health, the Board for Licensing Health Care Facilities will amend current regulations governing nursing homes, assisted-care living facilities, and homes for the aged during a regularly scheduled meeting. Any cost is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 68-11-216, the Board for Licensing Health Care Facilities is required to be self-supporting over a two-year period.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml